

ITEM 4
6:36 p.m.

CASE: NA
APPLICANT: City of Bloomington
REQUEST: Industrial District Zoning Update

DISCUSSION:

Schmidt gave an update of the industrial district zoning update:

- Summary of Previously Adopted Bloomington Zoning Code Updates
 - o Creation of commercial and mixed use zoning districts, residential district shift to 21, residential use matrix, townhouse district and standards, creation of and updates to various zoning standards
- Project schedule for Industrial Updates
 - o Fall 2016 – Study meetings with Planning Commission and City Council
 - o Fall 2016/winter 2017 – staff research
 - o Winter/spring 2017 – convene industrial focus group outreach and Planning Commission and City Council study meetings
 - o Spring/Summer 2017 – Informational meeting for industrial property owners/public
 - o Summer 2017 – Planning Commission and City Council public hearings
- Overview of six existing industrial districts
 - o Uses allowed in all industrial districts: manufacturing, office, research labs, warehousing, sports training, hotels, etc
 - o I-2, Limited Industry also permits – retail (heavy equipment), hazardous waste collection, open storage
 - o I-3, General Industry also permits - motor vehicle sales, junk car disposal, health club, vehicle repair, retail (heavy equipment), open storage, etc
 - o IP, Industrial Park also permits – golf driving range, agriculture (limited), retail sales (4 days/year). Prohibited uses in IP, but allowed in I-1, I-2, and I-3: place of assembly, hotels, vehicle repair, physical exercise, restaurants, self-storage
 - o FD-1 and FD-2, Freeway Development also permits – residential, entertainment/recreation, daycare facilities, colleges, motor vehicle sales, banks, health club
- Existing industrial zoning map
 - o Freeway Development districts concentrated along 494 corridor.
 - o Industrial Park districts concentrated in central Bloomington
 - o Limited Industry and General Industry districts scattered north of City Hall and Lyndale Avenue
- Non-industrial uses currently allowed and not allowed in industrial districts
 - o Allowed: office, dry cleaning, service stations, hotels, self-storage, breweries, medical office, etc.
 - o Not allowed: retail, taprooms, K-12 schools, residential, lumber yards, indoor agriculture, firearms dealer (no retail), showrooms
 - o Potentially adding taprooms, firearm dealer (no retail), indoor agriculture, lumber yards, residential to an allowed use in one small area
 - Based off input and feedback from the community and businesses
 - o Potentially removing hotels and car dealers from an allowed use to a prohibited use
- Industrial District Zoning Standards
 - o Front yard setbacks across the industrial districts range from 35-60 feet, large lot areas
 - o Staff is looking to update standards in general and specifically establish standards for maximum floor area ratio

- Open storage overview
 - o Two types: directly related to the principal use and not related to the principal use (by conditional or interim use permit)
 - o Current standards: screening, lighting, landscaping, pavement, curb and gutter, stormwater and no limits on square footage tied to building
 - o Shipping containers – are allowed onsite up to 30 days per year throughout the entire City
 - o Examples of open storage sites: 9713 Irving avenue, 8100 Pillsbury avenue
 - Luther Auto Storage: tax implication on proposed Luther inventory lot with building = \$1,997,000 vs. without building = \$1,552,000
 - o Surrounding communities:
 - Edina - not allowed and must be stored within an enclosed building
 - Shakopee - conditional use in industrial districts
 - Eagan – conditional use when related to principal use, fenced enclosure, screened from right-of-way and residential uses, must meet building setbacks and not located in a front yard
 - Eden Prairie – conditional use in General Industrial zoning district and screening is required
 - Richfield - zero properties zoned industrial but allows commercial outdoor storage that must be screened from public view and located in a side or rear location
 - o Potential standards – meet building setbacks, must be directly related to principal use, limit to a percentage of the building size, require a conditional use permit
- Questions: Any specific research planning commission would like staff to review as part of the industrial zoning update?
 - o Any specific uses that should or should not be part of the industrial districts
 - o Any specific industrial standards that need to be reviewed

Bennett asked how staff identified the non-allowed uses in the industrial districts. Schmidt noted the uses were identified based on other communities and businesses trying to locate in Bloomington. Markegard noted the most common feedback through the Forward 2040 public input process regarding an industrial use change is to allow taprooms in industrial areas.

Goodrum noted indoor recreational uses are popular in industrial districts. The buildings may be a good fit for indoor recreation but he is apprehensive to see children in industrial areas due to safety concerns.

Swanson asked about the minimum acreage for the various industrial districts. Schmidt gave a breakdown of the acreage. Swanson asked if staff has considered reducing the minimum lot size to encourage smaller uses. Schmidt noted staff will review the lot size in relation to specific uses. Markegard noted one concern with reducing the minimum lot area is the difficulty of reuse. He provided examples of parcels that could not practically be reused on their own. Schmidt noted the I-3 zoning district has no minimum lot size.

Solberg recommended to review parking and compare that with maximum structure coverage in order to avoid corridors with a strong presence of impervious surface. Driving to an indoor recreational facility or taproom may be unappealing if there are areas of concrete. He suggested looking at adding more greenspace standards for these types of uses.

Goodrum noted the possibility of mix and match of standards across the different types of uses. For example, a 60 foot setback for a taproom may not be appropriate for a retail use. Swanson agreed and suggested to avoid the large front setbacks as they may lead to front yard parking lots. Goodrum recommended to require a larger rear setback but allow a reduced front setback.

Batterson discussed he would like to see more uses in industrial areas that attract more people. He gave Vertical Endeavors as a positive example. It is important to encourage new manufacturing, taprooms in order to enliven the industrial area. He liked that open storage standards are flexible and sees a place for open storage in the community but wants to keep the design standards very high, especially in terms of landscaping and fencing.

Spieck would like to see how many existing industrial properties would be affected by any proposed change, perhaps by mapping nonconformities. Markegard said open storage is an important policy issue to consider. Other communities have made efforts to zone it out, and the uses are increasingly coming to Bloomington as the only alternative north of the river. Should Bloomington continue to be flexible with this use? Solberg would like to see where the open storage uses are concentrated. It is important to consider areas that may be redeveloped and to look at the surrounding tax value. Batterson asked how staff monitors the shipping containers? Schmidt noted they are identified through the Environmental Health division or by complaint. Schmidt gave Freight Farming as an example.

Schmidt gave an overview of potential zoning strategies and analysis maps:

- Protected industrial areas – properties within this area should remain industrial. Rezoning to non-industrial districts should be avoided.
- Proactive rezone – properties within this area targeted for rezoning to other districts (commercial zoning districts, new industrial/live work district or new industrial/retail district)
- Transitional area (market driven) – properties within this area would remain zoned and guided industrial; however, the City would be open to considering compelling proposals to amend the guide plan and zoning to non-industrial uses when driven by the market, dependent on the proposed land use and relationship to the surrounding uses
- Existing land use map
 - West Bloomington concentrated with office/warehouse
 - Northeast corner concentrated with retail
- Clear height map
 - Where are the clear heights for buildings in industrial districts?
 - Western Bloomington and north of City Hall has concentrated areas of higher clear height buildings, but their location varies considerably.
- Total assessed value per square foot of land area
 - High value per square foot of land area concentrated high areas along 494, and South Loop
- Site size map
 - Areas over three acres are concentrated in western and central Bloomington. Small lots under one acre concentrated along Lyndale Avenue
- Floor area ratio
 - Lower floor area ratios in the Western Industrial Area
- Effective age – based on materials and upkeep of the building
 - Using the Assessing department's data, the lowest effective age concentrated in western Bloomington
- Draft zoning map
 - Protected industrial area – Western Industrial Area and north of City Hall to remain industrially zoned.
 - Proactive rezoning – concentrated areas along 494 and near Lyndale Avenue. One idea is to rezone portions of the Lyndale-American area to a hybrid industrial/commercial district. The areas between Wentworth Avenue and Pleasant Avenue, where there is already a strong mixture of residential and industrial uses to be potentially a live-work zoning district. Markegard said there is an intermingling of residential and industrial use, which has been considered an obstacle in the past. Recently, promoting live-work type uses has become more popular in some communities and may be a good fit in this area (for example, artists

or craftsmen and women that want to live adjacent to their studios). South of 86th Street to 97th Street along Lyndale Avenue could be a hybrid of industrial/retail mix. Solberg asked about the City standpoint on the railroad. Markegard said the City does not anticipate it will be terminated as it is important to the central industrial area. The Comprehensive Plan addresses a potential transitway or a rails-to-trails if it ever were to lose its function as a working railroad.

Goodrum suggested to look at the number of employees in industrial districts. How many jobs would be replaced with a retail use? Solberg also mentioned comparing industrial vs. retail wages. Goodrum liked the industrial zones along Lyndale remaining as is because retail along the corridor could lead to traffic and congestion. He asked if the rezoning and changes are occurring prior to the Comprehensive Plan update. Markegard said the plan feeds into the Comprehensive Plan update especially with respect to calling for the protection of certain industrial areas but rezoning would likely occur prior to completion of the Comprehensive Plan update.

Solberg suggested comparing trip generation between commercial and industrial. Can the system along Lyndale handle the changes?

Spiess noted the industrial areas along Lyndale Avenue should be more transitional. Bennett agreed and noted leave it up to the market to decide. Swanson recommended that Lyndale Avenue could act as a unique opportunity to be similar to Minneapolis, with residential on one side and a taproom on the other.

- Potential new zoning districts
 - o New industrial live/work zoning district
 - o New hybrid (industrial/retail) zoning district
 - o IT – innovation and technology – high tech manufacturing and clean industrial
- Outreach
 - o Focus group consisting of property owners, chamber of commerce, leasing professional commercial real estate development association to discuss and provide feedback
 - o Informational meeting

Batterson recommends also meeting with stakeholders one on one to discuss the market forces. Brokers can be a good source of information and may be more candid one on one.